

*"Spending Reduction Act" Would Cap Non-Security Discretionary Spending*  
March 18, 2010

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**"Government spending is a runaway train that keeps gaining speed, and if we don't put on the brakes our country is headed for a disaster," said Rep. Melancon. "Louisiana families and businesses have to place limits on what they can spend, and so should their government. Tough, enforceable spending caps - coupled with PAYGO and a Balanced Budget Amendment -- will work to rein in federal spending and shrink our country's national debt."**

Over the past ten years, discretionary spending has grown by an average of 7.5 percent per year, skyrocketing from less than \$610 billion in 2000 to over \$1.2 trillion in 2009.

This sharp increase in spending is due in part to the lack of effective budgetary enforcement tools. In the 1990s, under bipartisan agreements, Congress used discretionary spending caps to produce four balanced budgets.

Originally enacted as part of the Budget Enforcement Act of 1990, discretionary spending caps were in place for 12 years. Over this period, discretionary spending grew annually by an average of only 1.6 percent. However, discretionary spending caps were allowed to expire in 2002.

The Spending Reduction Act will set a ceiling that discretionary spending cannot exceed, but will leave to Congress to decide where the cuts should occur. By imposing these binding limits on discretionary spending, Congress will be required by law to make the tough year-to-year decisions required to help restore balance to the federal budget.

Discretionary spending covers 40% of the federal budget. The recently restored Pay-As-You-Go (PAYGO) law will help prevent increases in mandatory spending, the other 60% of the federal budget.

*Since his election to Congress, Congressman Melancon has worked as part of the fiscally conservative Blue Dog Coalition to reduce the national debt and balance the budget.□  
Congressman Melancon is an original co-sponsor of the [Balanced Budget Amendment](#) (H. J. Res. 78), legislation that would require the federal government to pay down the national debt and balance the budget by 2020.*

*In February, Congressman Melancon helped pass into law [pay-as-you-go \(PAYGO\) legislation](#), a critical step towards restoring our nation's fiscal health that requires all new spending be paid for. The fiscal discipline imposed by PAYGO in the 1990s was critical in taking the United States from deficits to surpluses.*

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